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# TOO GOOD TO BE TRUE....

## A Column on Consumer Issues

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### **Shopping Safely From Home (Part 2)**

Shopping from home allows you to browse at your own convenience – often 24 hours a day, seven days a week. There are no parking spaces to scout at the mall, no crowds to battle and no long checkout lines. When you shop from the comfort of home, you can order all kinds of products and services from companies in other states, even other countries. But shopping from home, like traditional shopping, is not risk free.

Legitimate businesses use many different ways to promote their products and services, but fraudulent individuals and companies masquerading as reputable businesses are taking advantage of consumers who shop from home.

**Mail** - Direct mail marketing is a growth industry because it enables sellers to target individuals in specific geographic, demographic or interest groups for their advertising. Most direct mail marketers are bona fide companies – but unfortunately, not all. It is illegal for anyone to use the mail as part of a scheme to cheat people out of money. Federal mail fraud laws apply whether the mail is used to send solicitations to consumers, to receive consumers' payments or to transmit information from one company location to another. It is also against federal law for private or commercial interstate delivery of services to be used as part of a fraudulent scheme.

In addition, it is illegal to use the mail or any private or commercial delivery service to send lottery solicitations or tickets across state lines or from another country into the United States. Federal law also prohibits mail that looks like it is from a government agency when it is not, or mail that looks like an invoice when no goods or services were ever ordered, unless it clearly states that it is not a bill but only a sales solicitation. To report mail fraud, call the local U.S. Postal Inspection Service or postmaster. More information is posted at [www.usps.gov](http://www.usps.gov). Consumers who wish to have their name deleted from many direct mail lists can contact the Direct Marketing Association at Mail Preference Service, Direct Marketing Association, PO Box 643, Carmel, NY 15012-0643 or online at [www.dmaconsumer.org](http://www.dmaconsumer.org).

**Internet** - The World Wide Web has greatly expanded the opportunity for consumers to shop from home, and an ever-growing number of consumers and vendors are entering the cyber-marketplace. But many of the same types of scams that use the telephone or mail can now be found on the Internet as well. Since anyone can create a flashy web site or send what appears to be a friendly e-mail message, identifying fraudulent vendors can be difficult.

When you shop online, many marketers want to know as much about you and your buying habits as you are willing to tell. This is valuable information to sellers who may use it to tailor future advertising to you or share or sell it to other vendors – often resulting in your being bombarded with unwanted advertising. Your best protection is to shop with a vendor that posts its privacy policies online and offers you options about the use of your personal information. In most cases, the password you established with the vendor and your credit card number and delivery address are the only information a seller should need to take your order. If you shop on a secure server, your credit information is protected.

The way to confirm that you are on a secure server is to look for a locked key or padlock at the bottom of the browser section. These symbols mean that the information you are sending is encrypted - turned into a secret code - for online transmissions. Only people with the proper decoding software can access the data, and that software is kept so closely guarded that the U.S. government will not allow it to be exported to foreign countries. Many, although not all, overseas companies have developed their own secure server software.

When ordering online, it is also important to guard your passwords. If the seller requires you to use a password to make a purchase, do not use the same password you use to log on to your computer or network. And choose a different password every time you register with a new site.

If you suspect Internet fraud, report it to the Federal Trade Commission at [www.ftc.gov](http://www.ftc.gov) or by calling the toll-free helpline at 1-877-382-4357. You also can report it to the National Fraud Information Center/Internet Fraud Watch program at [www.fraud.org](http://www.fraud.org) or by calling its toll-free hotline at 1-800-876-7060.

**Online Auctions** - Whether you are looking for a hot collectible or simply a good deal, online auctions may appeal to you. But before you place a cyber-bid, consider how online auction houses work. Like at a traditional "live" auction, the highest bidder "wins." But that is where the similarity ends. Because many online auction sites do not have physical possession of the merchandise, the highest bidder often deals directly with the seller to complete the sale.

If you are the highest bidder, the seller typically will contact you by e-mail to arrange for payment and delivery. Some, but not all, sellers accept credit cards. Many sellers require payment with a check, certified check or money order, but it is important for consumers to recognize that these payment methods do not offer the same consumer protections as credit cards.

Some online sellers have put items up for auction, taken the highest bidder's money and never delivered the merchandise. Some sellers never had or intended to deliver the merchandise. Consumers who pay by check, money order or wire transfer via Western Union, etc, have little or no recourse when it came to getting their money back.

To help protect yourself when shopping through an online auction, ask about using an escrow service, which collects your payment and forwards it to the seller when you confirm that you have received the merchandise. Most escrow services charge a small fee, but the investment may well be worth it. Another option is to pay cash on delivery. For more information, visit [www.fraud.org](http://www.fraud.org) or [www.ftc.gov](http://www.ftc.gov).

You can also contact the Attorney General's Consumer Protection Division for assistance or a consumer complaint form at our toll-free number, 1-800-472-2600. You may also contact our website at [www.ag.state.nd.us](http://www.ag.state.nd.us) for more information or to print a consumer complaint form.

In part three of our series on "Shopping Safely From Home" we will discuss telemarketing, door-to-door sales and flea markets and yard sales.

*The Attorney General's Consumer Protection Division investigates allegations of fraud in the marketplace. Investigators also mediate individual complaints against businesses. If you have a consumer problem or question, call the Consumer Protection Division at 328-3404, toll-free at 1-800-472-2600, or 1-800-366-6888 (w/TTY). This article and other consumer information is located on our website at [www.ag.state.nd.us](http://www.ag.state.nd.us).*

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